



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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January 14, 2026

Kenneth Ortmeier, Chairperson
St. Charles Township Cuming County
1432 B Road
West Point, NE 68788

Dear Chairperson Ortmeier:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the St. Charles Township Cuming County (Township) for the fiscal year ending 2025. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (Supp. 2025), the preliminary examination necessary to determine whether further audit work would be required or the audit waiver should be allowed, the APA noted certain internal control or compliance matters, or other operational issues, within the Township.

The following information is intended to improve internal controls or result in other operational efficiencies.

Comments and Recommendations

1. Lack of Adequate Supporting Documentation

While reviewing the Township's bank statements, the APA noted that the Township issued check #7741, dated October 8, 2024, to David Schmuecker, the Clerk of the Township Board (Board), in the amount of \$618.06. Per discussion with Mr. Schmuecker, it was noted that this was a reimbursement for his work on fixing the garage door on a Township building. The following handwritten note was provided to support this payment, showing the calculated amount to be reimbursed:

Rake + Corn $34.48 \times 2 = 68.96$
~~Asphalt~~ ~~79.59~~
Schmader Landfill 30.00
J-channel $13.82 \times 5 = 69.10$
8-3 = 7 hrs
8-2 = 6 hrs
8-1 = 5 hrs
 $18 \times 25 = 450$
618.06

The Township was unable to provide documentation to support the amount charged for parts. Additionally, labor was billed at \$25 per hour for 18 hours worked; however, it does not appear that this hourly rate was approved by the Board or the electors at the annual meeting of the Township.

Neb. Rev. Stat. § 23-258 (Reissue 2022) includes “[t]he compensation of town officers for services rendered their respective towns” among the general expenditures authorized as “town charges.”

Additionally, Neb. Rev. Stat. § 23-224 (Reissue 2022) provides the following:

The electors present at the annual town meeting shall have power:

* * * *

(8) To direct the raising of money by taxation, subject to approval by the county board . . . (e) for the compensation of town officers at the rate allowed by law and, when no rate is fixed for such amount, as the electors may direct[.]

The electors at an annual town meeting constitute a public body subject to the provisions of the Open Meetings Act, which is set out at Neb. Rev. Stat. §§ 84-1407 to 84-1414 (Reissue 2024; Supp. 2025). In particular, Neb. Rev. Stat. § 84-1413(1) (Reissue 2024) requires such public bodies to “keep minutes of all meetings,” showing, among other things, “the substance of all matters discussed.”

Good internal control requires procedures to ensure that any compensation paid to Board members is adequately supported, and the rate paid is approved by the electors at the annual town meeting, as required by State statute, and documented adequately in the minutes of the meeting during which the rate was approved.

Without such procedures, there is an increased risk for not only failure to comply with State statute but also loss or misuse of Township funds.

We recommend the Board implement procedures to ensure any compensation paid to Board members is adequately supported, and the rate paid is approved by the electors at the annual town meeting, as required by State statute, and documented adequately in the minutes of the meeting during which the rate was approved.

2. Payments Not Approved

The APA obtained a copy of the April 8, 2025, meeting minutes for the Board. Those minutes fail to reflect the Board’s approval of the \$1,847 monthly salary for a Township employee. Per the Board, the Township employee’s payroll is approved verbally, with the employee’s annual payroll amounting to \$23,826. Additionally, this employee had no employee contract and, as such, there was no documentation to support the amount this employee was getting paid.

Nebraska law requires the Board to approve all claims against the Township. In particular, Neb. Rev. Stat. § 23-255 (Reissue 2022) states the following, in relevant part:

All claims and charges against the town, duly audited and allowed by the town board, shall be paid by order so drawn.

(Emphasis added.) Properly discharging the above statutory duties necessarily entails the Board’s approval of all expenditures of Township funds prior to their actual disbursement.

As a public body, moreover, the Board is subject to the provisions of the Open Meetings Act, which is set out at Neb. Rev. Stat. §§ 84-1407 to 84-1414 (Reissue 2024; Supp. 2025). Per Neb. Rev. Stat. § 84-1413(1) (Reissue 2024) public bodies, including the Board, are required to “keep minutes of all meetings,” showing, among other things, “the substance of all matters discussed.”

Furthermore, a good internal control plan and sound business practices require procedures to ensure that the Board approves all expenditures and business transactions of the Township prior to payment. Those same procedures should ensure also that the Board documents such approval in its meeting minutes, specifying the name of each payee, the exact amount of any disbursement, and the specific purpose of the payment. Without such procedures, there is an increased risk for not only failure to comply with State statute but also loss or misuse of public funds.

We recommend the implementation of procedures to ensure the Board approves all expenditures of Township funds prior to payment, and such approval is documented adequately in the Board's meeting minutes.

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The preliminary planning work that resulted in this letter was designed primarily on a test basis and, therefore, may not bring to light all existing weaknesses in the Township's policies or procedures. Nevertheless, our objective is to use the knowledge gained during the performance of that preliminary planning work to make comments and suggestions that we hope will prove useful to the Township.

This communication is intended solely for the information and use of the Township and its management. It is not intended to be, and should not be, used by anyone other than those specified parties. However, this letter is a matter of public record, and its distribution is not limited.

If you have any questions, please contact **Dakota Christensen** at 402-499-8702 or dakota.christensen@nebraska.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Avery", with a long horizontal flourish extending to the right.

Mark Avery, CPA
Assistant Deputy Auditor